Sessions are both doing everything they can to help secure the border. We need a Secretary of Homeland Security, and I am sure that will be coming quickly. The Democrats will probably try to block whoever it is for as long as they can, but we need a Secretary of Homeland Security; and we need our border secured not merely to help us, but as being the best possible thing we could do as a caring neighbor of Mexico.

Our Republican Conference we had in the House yesterday seemed very productive. We had a good discussion about the proposed tax reform, and, as I was mentioning earlier, you will have people who have been paying 10 percent will go to paying nothing. Some that are paying much higher taxes will be cut down to 12 percent, and brackets indicating that there is going to be an awful lot more money in the pockets of people who are working, that will be fantastic, because when we leave more money in the pockets of those who have actually earned it, it gets the economy going.

People, whom I have immense respect for, like Dr. Arthur Laffer, Stephen Moore, Larry Kudlow, it is very clear to them, when they run the numbers, we could never adequately tax our way out of bankruptcy the direction we are headed. We couldn't. We cannot tax enough. If you put on too much tax, then people quit working.

But the way to make Social Security solvent and to make Medicare solvent is if we get the economy growing not at the 1.8 percent—I believe that was the average for the Obama administration—but for the good of everybody. People keep the money in their pockets. That allows them to spend it, and it causes the economy to grow.

I know, during the Obama administration, they saw 3 percent growth in the economy as just being virtually impossible; and I can understand, because their idea was tax, tax, tax, and that kills an economy. Whereas, if you allow people to have more of their own money, they spend more of their money. That allows more jobs to be created, and there are more people paying taxes. They begin making more, so they are paying higher taxes, even though it is at a lower rate. That helps stimulate the economy.

□ 1415

I was really hoping that President Trump's number of 15 percent corporate tax would work out to be our number for corporate tax. I was hoping that would be for regular C corporations, as well as a pass-through subchapter S corporation, because President Trump and I and others know that if it is a 15 percent corporate tax, then we would get back most of the manufacturing jobs, which fled America because of our massive 35 percent tax. Actually, by the time you add in all the others, it is well over 40 to 50 percent tax on corporations.

The reason some of us say the corporate tax is one of the most insidious taxes there is is because the government defrauds Americans into thinking they are not paying the corporate tax. These evil, rich corporations are paying those taxes. They are saying: ''We are not paying them. Make the evil corporations.'' Whereas, anybody that is going to really be honest about it would have to say: ''Well, the truth is, yeah, it is actually a pass-through from the customer, because if the corporation doesn't pass on that massive tax they are paying, they go out of business.''

So it is actually an additional tax on the little guy. So the middle class, lower-income folks are paying the big corporate tax. It is not the wealthy. It is the customers that are paying all that extra corporate tax.

So if you got the tax rate for corporations down to 15 percent, those companies start coming back, the manufacturing jobs come back.

As I mentioned to the President one time: ''Mr. President, you understand it because of your great business acumen, and I understand it from studying history, but any major nation that cannot manufacture what they need in a time of war will not be a major nation after the next war.''

The President wants those jobs back. It is not 15 percent being proposed. It is 20 percent. But that will bring back jobs. Not as many as if we had a 15 percent corporate tax, but it will bring back jobs.

I know there are those who say: Oh, we have evolved in America. We are more of a service economy. We don't want to be a manufacturing economy with those dirty jobs.

Yes, we do. We need to have those manufacturing jobs. Those are good jobs. We have requirements that you have to be concerned about the health of Americans. And by doing that, we bring back the jobs, we help our economy, and we actually save Social Security and Medicare.

I see my friend, Dr. HARRIS, is here.

Mr. Speaker, I yield back the balance of my time.

TAX REFORM

The SPEAKER pro tempore. Under the Speaker's announced policy of January 3, 2017, the Chair recognizes the gentleman from Maryland (Mr. HARRIS) for 30 minutes.

Mr. HARRIS. Mr. Speaker, the gentleman from Texas is absolutely right. An important thing happened this week. We announced that the American public is going to get a tax cut.

As I go around my district, as I am sure Members when they go around their districts, one thing they rarely hear is: You know, Washington spends their money very efficiently. They do everything just right. So why don't you tax me a little bit more?

We don't hear that.

What we hear is that hardworking Americans want to keep more of their paycheck. They look at what the Federal Government takes out of their paycheck. They don't think they are getting their money's worth. Honestly, Mr. Speaker, once you are around here a while, you realize they are probably not getting their money's worth.

So what we are going to do is we are going to follow the President's lead. The President has said that what he wants is a tax reform bill that cuts taxes in America so that businesses come back to America, that our job creators get tax relief, and that hardworking middle class American families can keep more of their paychecks. And that is exactly what the tax reform outline has laid out for the American public this week.

Now, from the naysayers, you will hear the same old lines: tax cuts for the rich, blah, blah, blah.

The bottom line is that we are going to relieve the tax burden on American businesses that will bring jobs back to this country.

Mr. Speaker, if you look over the past 35 years of what has happened, from 1980 to 2015, the corporate tax rates, back in 1980, the top line of this graph is the U.S. tax rate, marginal corporate tax rate, which was around 50 percent at the time. It was just about the same as what the worldwide average was.

In the 1980s, the last time we had major tax reform under the leadership of President Reagan, we dropped the corporate tax rate to under 40 percent, and at that time, it was right in the middle of where the corporate taxes were worldwide. So the companies had no advantage to take their businesses and move it overseas in order to save taxes.

But something very interested happened. If you look at the top line here, since then, our corporate tax rate has stayed at right about 40 percent. It is now 39.6 when you add in both the Federal taxes and the State corporate taxes, but the worldwide averages have fallen.

Mr. Speaker, other countries around the world have figured out that businesses will go to countries and they will create jobs in those areas where the taxes are lower.

So what has happened?

So if you look at what the corporate taxes look like now and what the corporate tax rates are around the world, these are the 35 leading nations, our competitors in the world. The United States now has the highest corporate tax rate at 38.9 percent combined. Again, the Federal plus the State tax rate. France and Belgium, 34 percent. Germany, 30 percent.

But if you look at where we are losing our business to, it turns out that very small countries like Ireland, way down at the bottom, years ago lowered their corporate tax rate to 12½ percent.

And what happened?

We moved businesses to Ireland.

When I worked in the operating room—and still do a few days a year—I would pick up what is called an endotracheal tube. It is a tube we use when we breathe for a patient. It goes into their windpipe and they breathe through it. I would pick it up—and this happened 15 years ago—look at it and say: ''Wait a minute. This is made in Ireland. How in the world are medical items like this made in Ireland?'' And I would look at other items in the operating room, and they were made in Ireland.

I didn't know at the time that the reason was that Ireland lowered its corporate tax rate, and literally many things that used to be made in the United States, like those endotracheal tubes, like other medical devices, were now made in Ireland; not by Americans, but by people in Ireland. We lost those jobs over there, and it was as a result of our corporate tax rate.

So our other competitors, you know, we look at car manufacturers, Korea, 24 percent corporate tax rate. Again, ours is at 38.9 percent. We look at other places around the world. The United Kingdom, Britain, one of our largest trading partners and one that certainly competes with us for businesses, whether it is the pharmaceutical industry or whether it is other businesses, they are at 19 percent. We are at 38.9 percent.

So what does this tax plan do?

This tax plan says that for those corporations that are moving businesses around the world based on a tax rate, we can't have the highest tax rate in the world, because what we have seen is the emptying of American manufacturing to places around the world where the tax rate is lower.

Mr. Speaker, I would offer that if you or I invented something today and we looked to manufacture it somewhere, where would we go? Would we stay in the United States with a 38.9 percent combined corporate tax rate? Or would we go to Ireland, where it is 12½ percent, where, for every item we make, our company can make more money, invest that back in the company and take profits from it?

Of course we would go to Ireland.

So what do we have to do?

We have to address that. The President has said this is one of his top priorities, because this will bring back the jobs that have bled from the United States.

When we looked at what is called a corporate inversion, where a company looks to buy an American company, move its headquarters overseas, it is doing it for tax purposes.

Why should that happen? Why shouldn't we be attracting these companies to the United States? How do we do it?

We do it by lowering the corporate tax rate. The plan, the outline that we have put forward to the American people this week lowers the corporate tax rate to 20 percent. Again, from 35 percent, which is the Federal rate, to 20 percent. It lowers it to the lowest among our competitive countries. Now, not as low as I would like to see it go, not as low as the President would like to see it go. The President thinks we need to be way down at the bottom of that chart. That is how we need to attract businesses back.

Mr. Speaker, to be honest, if we lower the tax rate just to be competitive, we are not competitive anymore. Companies will bring their business back to the United States for the reasons that a lot of businesses originally were in the United States: we have a highly trained workforce, we have the rule of law, we have a lot of benefits for businesses to do business here.

Now, if Congress agrees, if we can come up with this reform plan, we are going to be seeing businesses fighting each other to come back into the United States because they realize this is the place they can do business best.

Mr. Speaker, only a minority of jobs are actually produced by those large corporations, what we call C corporations, the ones that paid the ''corporate income tax.''

So the President said he also wanted to emphasize that what we need to do is lower the tax rate on our small businesses because, as you know, almost two-thirds of the jobs created in this country are created by small businesses.

So the Unified Tax Reform Framework, our tax plan, limits the maximum tax rate for small and family-owned businesses to 25 percent. Mr. Speaker, today that tax rate is 39.6 percent. Again, this will allow these small businesses and our family-owned businesses to take the money, invest it; and then when their businesses make money, when they hire workers and they make money, they are allowed to keep more to put back in those businesses, to hire more workers. This is how we get our economy going again.

If you talk to, again, these small businesses and these family-owned businesses, or the larger businesses, there are two things that these businesses say they need in order to succeed. One is they need a regulatory environment that is reasonable.

Mr. Speaker, the last administration was strangling American businesses through overregulation. So the first thing the President did when he came into office, to his credit, is say: We have to have only reasonable regulations. We can't overregulate our businesses. We are stifling them.

Mr. Speaker, it is amazing that over the past 100 years, the average growth in what we call the GDP—the gross domestic product—in the United States, the average growth in GDP is 3.3 percent over 100 years.

Now, over the last administration, of course, you know it has the dubious honor of being the first administration where there was never a year of 3 percent growth. In fact, the average growth was under 2 percent. The mood was so bad in American business and the American business climate that the economists who would predict how the economy was going to operate have actually lowered their expectations of GDP growth to under 2 percent per year for the near future. That is not the America we know.

The America we know leads the world. When we see 6, 7, and 8 percent growth in China, why would we be satisfied with under 2 percent growth?

There is no need to be satisfied with that.

So we have to go to, again, our small businesses and our other businesses and ask them: What do you need to grow and produce jobs, to bring jobs back to this country, to put Americans back to work?

And the answer is: One, relieve us of the regulatory burden.

And from day one, that is what the President has done.

□ 1430

But there is another thing they say. We need relief from our tax rate. Again, the tax rate was the highest in the industrialized world. Our tax rate, the highest in the industrialized world. Our tax rate on small businesses was even higher. 39.6 percent was the highest marginal rate. That is not an environment where businesses thrive.

The President is taking care, to a large extent, of relieving the regulatory burden, the over-regulatory burden, that exists for American businesses.

Now Congress needs to turn its attention to the second leg on that stool, which is the tax problems. So the reform framework does that, and it does it exactly the right way. It says we agree with the President.

Americans are waiting for these jobs to come back. They don't want to see the back end of the moving van leaving American companies and bringing them overseas anymore. They don't like that. I can't blame them. There is no reason why more things can't be made here, more businesses can't thrive here.

So we need to take those steps, but that is only one part of this plan. The President said the other thing we need to do is return more dollars into the pockets of hardworking middle class taxpayers. That is exactly what this plan does. It does it by simplifying the Tax Code, by doubling the standard deduction and lowering all the rates.

The naysayers will say: Well, you know, if you lower the rates, you are going to increase our debt and our deficit. In fact, if you turn on the TV right now, that is what all the talking heads are complaining about. How could those Republicans suggest a plan that will increase our deficit?

Well, Mr. Speaker, if you ask some people over at the Congressional Budget Office what happens to revenues if you increase the tax rate to 200 percent of income, they will say: Oh, it goes up 200 percent.

Well, that is ridiculous. At some point, overtaxation suppresses economic activity, and revenues go down.

Conversely, both with the tax cuts under President Kennedy in the 1960s and the tax cuts with President Reagan in the 1980s, what we saw when we lowered rates was, in fact, the rejuvenation of the American economy, a stimulation of our GDP, a stimulation of our economy, leading to, in fact, increased revenue in both of those instances.

But in both of those instances, the naysayers said: You can't do this. If you are going to cut your taxes, your deficits will go up. That just plain doesn't happen.

So, yes, if you assume, all else being equal, that if we lower tax rates that revenue will go down, that would be true. But we know what happens when the American people feel the economy is going well, when they are fully employed, when we bring good-paying jobs back to this country and we lower the tax burden directly on hardworking middle class Americans. We know what happens. The economy grows.

With more money in their pockets, people make the decision to buy a car, to buy a house, to buy the new washing machine, to spend money on things that they have been afraid to spend money on because of the stagnant economy over the past 8 years.

We will unleash growth like we haven't seen since the 1980s, when, in response to the Reagan tax cuts, we had GDP growth not of 3 percent, not of 4 percent, but of 5 and 6 percent after that tax cut. So, in fact, tax cuts stimulate the economy, which lifts all boats, and it increases revenues.

So, Mr. Speaker, we have to tackle this challenge.

Now, we know there are a lot of special interests there because, when you simplify the Tax Code, what happens? All the lobbyists come knocking on our doors, and they want to maintain their little piece of this Tax Code.

And the Tax Code runs to thousands and thousands of pages. Very knowledgeable people can't even fill out their tax returns anymore, they are so complicated. Or they are worried they filled it out wrong.

Or, Mr. Speaker, the best thing—or the worst thing—the funniest thing that I hear is that, if you have a tax question and you can't figure out exactly how to do it and you call the IRS, if you call two or three times, you are likely to get two or three different answers about how to fill out that form and how much tax you have to pay.

Well, when you get to that situation, you have gone way too far, and, Mr. Speaker, that is where we are. We are at that situation that a reasonable American can't even fill out their own taxes it has become so complicated.

So, as part of this framework, if we can simplify it the way this framework says, 90 percent of Americans will literally be able to fill out their taxes on something the size of a postcard. That is what we need to get back to, that kind of simplification.

But again, the road won't be easy because we will have all the special interests here in this town, and we know there are a lot of them. We will have all of those special interests knocking on our doors, saying: Please preserve our little carve-out.

But every little carve-out makes the Tax Code more complicated. Every complication means that hardworking Americans don't get to keep as much in their pockets, and that is what we have to solve. We have to solve this problem. It has been getting worse now.

Again, the last time we dealt with the Tax Code in a comprehensive way was 30 years ago. To its credit, at the time, we reduced rates, we stimulated the economy, but we really didn't simplify the Tax Code as much as we would like to at this point.

So it is going to be hard, it is going to take months, and it is going to take a lot of people looking past the naysayers, past the people who say this can't be done, past the people who say the sky is falling, because we have heard this all before.

I am old enough to have heard it in the 1980s. That is when I started working. That is when I started bringing home a paycheck. That is the time when I started realizing what Federal taxation was.

I always tell the story of my oldest daughter, who trained to become a nurse, and she went and got hired. The first time she brought her paycheck—a real paycheck, a full-time job paycheck from the hospital—home, she said: Dad, what is going on here? I thought I was making this amount of money, and this is the amount I bring home.

We all know what happened. You saw all those lines: The Federal tax taken out; the State tax taken out; the local tax taken out; the Social Security tax taken out; the Medicare. You saw all the taxes that were taken out.

So what we have to do is we have to simplify the Code, bring those tax rates down, put more of that money in the pockets of hardworking middle class Americans. We owe them that. Part of that is simplifying that Tax Code. Now, once we do this and we stimulate the economy, we get the economy going again, our deficits will come down.

Look, we have to control spending. There is no question about it. Spending in this town is out of control. There is no question about it. Our deficit will exceed $700 billion a year.

To put that in perspective, that is 20 times the size of my State's entire budget, and that is the amount that we are going to borrow this year.

When people say that we need money for this and we need money for that, every time we ask that question, you know, can we afford it, we have to ask: Can we afford passing this debt on to future generations?

I have five children, now, six grandchildren. My children will never pay off this debt. Those listening at home, if they don't believe me, go and look at the Federal Budget website and look at the projection of Federal debt. It never goes to zero. It never, ever goes to zero—ever—not in my children's lives, not in my grandchildren's lives, not in my great-grandchildren's lives. That is just not the way we ought to run a government.

So once we tackle this tax reform, once we get our economy booming again with businesses vying to come into this country—not to go to some other country, but to come into America to do business—then we have to turn our attention to securing the future for future generations, to making certain that our Social Security system, which our seniors depend on, will not only be here for the seniors now, but for when my children and grandchildren reach their old age; that the Medicare system, which is scheduled now to be bankrupt in 10 years, that the Medicare system that our seniors depend on will not be there just for my generation, not just for my children's generation, but for my grandchildren.

We have to make sure that this country remains the strongest, most powerful country on Earth, a force for good and freedom throughout the world. We have to restore our defense budget. This President, to his credit, has called for that.

But as we restore our defense budget, we do have to redefine our spending priorities, because we don't—or, I guess, maybe we do, print money here, but it is not the right thing to do. We shouldn't be borrowing from future generations to take care of these priorities.

We have to get our economy going, make sure our revenues increase, and then turn our attention to making sure those revenues are spent wisely and that we define the future for our children and grandchildren, a future that they can be proud of in a country that remains, as Majority Whip SCALISE said on this floor today, standing at this podium, a country that the world can look toward for leadership, the country that, for now over a century, the world has looked toward for leadership to be the beacon of freedom, to be what President Reagan called the ''shining city on the hill.'' Mr. Speaker, we do that by restoring the health of our economy.

We took a big step toward that this week with our tax reform framework. We are setting the country up for an economic rejuvenation, for a restoration, for those companies that have gone overseas to come back home. Let our great American workers make their products. Come back home to the greatest country this world has ever known.

Mr. Speaker, that was a big step, but it is only the first step. We have weeks and months of work to get that done, a big job, an important job, but the first step was taken this week.

Mr. Speaker, I yield back the balance of my time.

RECESS

The SPEAKER pro tempore. Pursuant to clause 12(a) of rule I, the Chair